



U.S. DEPARTMENT of STATE

Panama

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Panama is a representative democracy with an elected executive composed of a president and two vice presidents, an elected 78-member unicameral legislature, and an appointed judiciary. In May, voters elected President Martin Torrijos of the Democratic Revolutionary Party (PRD) in generally free and fair elections, observed by domestic and international organizations. The Constitution provides for an independent judiciary; however, the judicial system was subject to corruption and political manipulation.

The Panamanian Public Forces consist of the Panamanian National Police (PNP), the National Maritime Service (SMN), the National Air Service (SAN), and the Institutional Protection Service (SPI). A 1994 constitutional amendment formally prohibits the establishment of a permanent military, although it contains a provision for the temporary formation of a "special police force" to protect the borders in case of a "threat of external aggression." The Ministry of Government and Justice oversaw the PNP, the SMN, and the SAN; the Ministry of the Presidency supervised the SPI. Security forces responded to civilian authority, had civilian directors, and had internal review procedures to deal with misconduct. There were occasional reports that some members of the security forces committed human rights abuses.

The market-based economy, which uses the U.S. dollar as its currency (calling it the Balboa), was based primarily on a well-developed services sector that accounted for approximately 80 percent of gross domestic product. The country had an estimated population of 3.1 million. While the economy experienced 0.8 percent real growth in 2002, it grew 4.1 percent in real terms in 2003. In November, the legislature's budget commission estimated growth for the year at 6.1 percent. Unemployment was officially estimated at 12.8 percent for 2003; however, private economists believed that it may be several points higher. Through June, inflation averaged 0.45 percent.

The Government generally respected the human rights of its citizens; however, despite some improvements, there continued to be serious problems in several areas. Overall prison conditions remained harsh, with reports of abuse by prison guards. Prolonged pretrial detention was a problem. The judiciary was subject to corruption and political manipulation, and the criminal justice system was inefficient and often corrupt. Despite these shortcomings, the Supreme Court ruled repeatedly that the statute of limitations would not bar cases involving killings and disappearances during the 1968-89 military dictatorship. The media were subject to political pressure, libel suits, and punitive action by government officials. Women held some high positions in the Government, including the presidency for most of the year; however, discrimination against women persisted, and violence against women remained a serious problem. Trafficking in persons was a problem despite improved anti-trafficking laws and publicity and a government crack down on traffickers. Discrimination against indigenous people and minorities continued to be a problem. The Government improved its treatment of refugees and its attention to the persons with disabilities. Child labor was a problem.

RESPECT FOR HUMAN RIGHTS

Section 1 Respect for the Integrity of the Person, Including Freedom From:

a. Arbitrary or Unlawful Deprivation of Life

There were no politically motivated killings by the Government or its agents; however, security forces were suspected of unlawfully killing several persons during the year. At year's end, the PNP's Professional Responsibility Office (DRP) reported that it had opened and was investigating four cases of killings involving PNP officers during the year. The media reported at least one case of spousal killing by a PNP officer (see Section 5). At year's end, the investigation continued into the 2002 killing of a 13-year-old indigenous Wounaan girl, Aida (or Ayda) Chirimia, in the Darien village of Biroquera, reportedly within the local national police compound. At year's end, one PNP officer remained dismissed in connection with the killing.

In August, the Fourth Superior Prosecutor requested that two off-duty PNP officers be tried for homicide in the 2001 killings of two men whose bodies were found on the beach in Punta Chame. In October, the Second Justice Tribunal set December 2005 as the start of the trial. The officers remained in jail.

In August, former President Moscoso signed a document in which the country accepted responsibility before the Inter-American Commission on Human Rights (IACHR) for certain crimes committed during the 1968-89 military dictatorship, thereby opening the possibility of a dialog regarding compensation between the Government and the families of victims. In October, the Torrijos administration informed the IACHR that it interpreted this dialog as a mechanism to work individually with those victims' families who had exhausted all legal remedies before the country's courts.

In March, the Supreme Court overturned the decision of the Second Superior Tribunal by ruling that the prosecution of members of the former National Guard in the death of leftist leader Heliodoro Portugal was not barred by the statute of limitations. Heliodoro Portugal disappeared in 1970. In 2000, his family identified his remains by DNA as those found in an unmarked grave on the grounds of a former military base in Panama City. At year's end, the Second Superior Court ordered the detention of Ricardo Garibaldo for his involvement in the disappearance and death of Portugal and the 2002 petition before the IACHR regarding the Portugal case remained pending.

As of September, the Office of Truth Commission Continuation, originally established as the Truth Commission for 6 months in 2001 to investigate killings and disappearances believed to have occurred under the 1968-89 military dictatorship, solicited the opening or reopening of 16 cases and continued to pursue 17 other cases of killings during the 1968-89 military dictatorship.

b. Disappearance

There were no reports of politically motivated disappearances.

As of September, the Office of Truth Commission Continuation solicited the opening or reopening of 18 cases and continued to pursue 7 other cases of disappearances during the 1968-89 military dictatorship.

During the year, there were no reports of kidnapping, rape, or harassment by Colombian insurgents in Darien or Kuna Yala Provinces.

c. Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment

The Constitution prohibits such practices, and the public security forces generally performed in a professional and restrained manner. However, prison guards occasionally abused inmates, and according to the PNP's DRP, as of mid-August, there were 16 reported cases of police abuse against prison inmates.

During the year, police generally exercised restraint in their treatment of street protesters (see Section 2.b.).

Prison conditions remained harsh and, in some cases, life threatening, due largely to budget constraints. By December, the prison system, which had an official capacity of 7,348 persons, held 11,517 prisoners. Most prisons were dilapidated and overcrowded. Many of the problems within the prisons resulted not only from obvious overcrowding but also from the lack of separation of inmates according to the type or severity of the crime committed. Pretrial detainees often shared cells with sentenced prisoners due to lack of space.

Medical care for prisoners was inadequate. AIDS, tuberculosis, and other communicable diseases were common among the prison population. During the year, the La Joya and La Joyita prisons continued to have water shortages. The European Union funded some legal, medical, and dental staff for prisons, and there was at least one doctor in each major facility. As of mid-August, 8 inmates had died.

There were some improvements in the prison system. The General Penitentiary Inspection Directorate (DGSP) hired 75 new civilian corrections officers (or "custodians") and began using all civilian custodians within El Renacer prison. In August, the Department of Corrections closed the Pacific island penal colony of Coiba, where conditions had been particularly harsh.

The DGSP largely depended on 1,425 PNP officers to supply both internal and perimeter security at all prisons. There were only 440 custodians for the entire prison system. As a result, regular PNP officers still were used to fill staffing gaps. PNP officers sometimes were untrained for prison duty and found the assignment distasteful, which contributed to tension and abuses within the prison system. Civilian custodians handled inmates within Nueva Esperanza, Tinajitas, El Renacer, and the central women's prison, which used only female officers. The DGSP did not have authority to discipline prison guards with criminal or civil sanctions; only the PNP disciplinary board could sanction a PNP agent or a custodian.

Abuse by prison guards, both PNP and civilian, was a recurrent problem. Police officials acknowledged that they received and investigated 16 cases as of mid-August.

The main prisons in Panama City included La Joya (a maximum-security facility), La Joyita, Tinajitas, the Feminine Center (women's prison), and the Juvenile Detention Center. An additional facility, El Renacer, held inmates generally accused of less serious crimes. In March, the Ombudsman's Office recommended that the Government begin the process of closing La Chorrera prison because of the overcrowded prison's extremely unsanitary conditions. By August, the Government had reduced the number of prisoners in La Chorrera from 548 to 379.

In Nueva Esperanza prison in Colon province, both male and female pavilions had separate sections for inmates convicted of administrative felonies and those convicted of violent crimes.

There were prisons of significant size in David, Santiago, and other towns. Small jails attached to local police stations around the country sometimes held prisoners for the entire length of their sentences, but the police who guarded them lacked the necessary custodial training to prevent abuses.

Female prisoners were held separately from male prisoners, and juveniles were held separately from adults. Throughout the country, conditions at women's prisons and at juvenile detention centers were noticeably better than at adult male prisons. However, female prisoners, especially those in the primary detention area, reportedly suffered from overcrowding, poor medical care, and lack of basic supplies for personal hygiene.

There was one modern juvenile detention center near Panama City. Juvenile pretrial and custodial detention centers throughout the country suffered from inadequate resources to provide for education or adequate supervision of children, although a nongovernmental organization (NGO) provided secondary school instruction to some minors in custodial detention.

The law and the Penal Code provide for conditional release programs for inmates charged with minor offenses who have served a substantial part of their sentence; however, this provision was not implemented consistently in practice. During the year, conditional releases decreased due to resistance from the autonomous Attorney General's office.

The Government generally allowed prison visits by independent human rights observers. The Ombudsman's office had a well-established prison visit program, and the Government generally allowed staff from the Ombudsman's office to speak with prisoners without monitoring. Prisoners expressed fear of retaliation if they complained. Justicia y Paz, the Catholic Church's human rights monitoring group, brought prison abuses to the attention of the authorities. The Association of New Men and Women of Panama, a gay and lesbian rights group, noted difficulty in gaining access to prisoners to provide AIDs education and training.

d. Arbitrary Arrest or Detention

The Constitution prohibits arbitrary arrest and detention, and the Government generally observed these prohibitions. Exceptions were permitted when an officer apprehended a person during the commission of a crime, or when an individual interfered with an officer's actions. The Constitution also provides that suspects are to be brought promptly before a judge; however, lack of prompt arraignment remained a problem. The law requires the arresting officer to inform the detainee immediately of the reasons for arrest or detention and of the right to immediate legal counsel. Police arrested and detained children for minor infractions during neighborhood sweeps (see Section 5).

The PNP falls under the civilian authority of the Minister of Government and Justice. There were approximately 15,000 police officers with an estimated total budget of \$147,820,000. Although its primary mission was law enforcement, the PNP was detailed for prison and border security. The Judicial Technical Police (PTJ), a semiautonomous body with leadership appointed by the Supreme Court, was a separate branch of law enforcement under the Attorney General's office and performed criminal investigations in support of public prosecutors. The law providing the legal basis for the PNP includes specific guidelines for the use of force, including deadly force; requires that police officers respect human rights; and prohibits instigation or tolerance of torture, cruelty, or other inhuman or degrading behavior. Although not all PNP personnel were trained in the use of force, the PNP provided more training during the year. In June, the Human Rights Ombudsman's office hosted a 3-day course on human rights and penitentiary procedures for PNP agents working in prisons.

The PTJ and the PNP have offices of professional responsibility that act as internal affairs organs to hold officers accountable for their actions. Both have staffs of independent investigators as well as administrative authority to open internal investigations. In both organizations, a defined legal process is followed in which, upon completion of the process, the director of the PTJ or the PNP review panel, as appropriate, has the final authority to determine the disposition of each case.

The PNP deputy director and the secretary general addressed human rights problems that arose in the police force. The offices of professional responsibility were well known in the community, and the rate of complaints remained generally constant in the PTJ office. As of late September, the Ombudsman received 58 complaints against the police for abuse of authority (see Section 4). At year's end, the PNP Office of Professional Responsibility received 543 complaints (including 132 cases of physical mistreatment), an average of 10 complaints per week, an increase from 9 per week in 2003. Through mid-August, the office penalized 60 officers. Penalties included reduction in rank, and in severe cases, criminal prosecution. There were 16 dismissals as of mid-August.

The PTJ received complaints from the public, and officers could make anonymous complaints of corruption and other problems. By early September, the PTJ Office of Professional Responsibility had conducted 136 investigations, which resulted in the dismissal of 17 agents. The majority of open cases were for mishandling official property such as misplacing guns or radios (53), misconduct or improper behavior (25), corruption (15), abuse of authority (15), and negligence (10).

Corruption among police officers remained a problem. In some cases, PNP and PTJ directors enforced other disciplinary measures against officers with proven involvement in illicit activities; however, both organizations only reacted to egregious

abuses, due to a lack of staff, independence, and institutional priority. In May, PNP narcotics officers arrested the entire PNP uniformed shift at the substation in San Carlos, including the police captain, for off-loading boats from Colombia that carried illegal narcotics.

The Constitution provides for judicial review of the legality of detention and mandates the immediate release of any person detained or arrested illegally. The Constitution prohibits police from detaining suspects for more than 24 hours without bringing them before a judge. Under the law, the preliminary investigation phase may last from 8 days to 2 months and the follow-on investigation phase another 2 to 4 months, depending on the number of suspects. The courts frequently granted extensions of time limits, leaving those accused in detention for long periods without having been charged formally. The law permits these extensions; however, many legal authorities (including court officials) criticized judges for excessive use of this measure. While the law provides for bail, in practice judges often declined to grant bail.

Extended pretrial detention continued to be one of the most serious human rights problems, due in part to the elaborate notification phase in criminal cases. According to government statistics, by December, 6,701 prisoners, or about 58 percent of the prison population, were pretrial detainees. The average period of pretrial custody was 24 months, and pretrial detention in excess of the maximum sentence for the alleged crime was common.

Legal alternatives to prison existed; however, they were not implemented widely. Options such as house arrest were used in some cases involving the elderly or minors but required that the defendants have access to, and understanding of, their legal options. There was a limited program of work or study in lieu of some sentences. As of mid-August, the Government had granted 35 work permits and 14 school permits to prisoners.

e. Denial of Fair Public Trial

The Constitution provides for an independent judiciary; however, the judiciary was susceptible to corruption and outside influence, including manipulation by other branches of government.

The President appoints 9 Supreme Court magistrates to 10-year terms, subject to National Assembly ratification. The Supreme Court magistrates appoint appellate (Superior Tribunal) judges, who, in turn, appoint circuit and municipal court judges in their respective jurisdictions. Judicial appointments are supposed to be made under a merit-based system, but the top-down appointment system lent itself to political influence and undue interference by higher-level judges in lower-level cases in which they often had no jurisdiction.

At the local level, mayors appoint administrative judges, or "corregidores," who exercise jurisdiction over minor civil cases and who hold wide powers to arrest and to impose fines or jail sentences of up to 1 year. This system continued to have serious shortcomings outside of Panama City: Defendants lacked adequate procedural safeguards; administrative judges outside of Panama City usually were not attorneys; many had not completed secondary education; and some were corrupt. In practice, appeal procedures were nonexistent. As of October, the number of local sentences imposed by corregidores in Panama City alone was 1,152. Affluent defendants still tended to pay fines while poorer defendants went to jail, which contributed to prison overcrowding (see Section 1.c.).

The 1998 judicial reform program started by the Inter-American Development Bank and the Government finished at year's end.

The Constitution provides that persons charged with crimes have the right to counsel, to be presumed innocent until proven guilty, to refrain from incriminating themselves or close relatives, and to be tried only once for a given offense. If not under pretrial detention, the accused may be present with counsel during the investigative phase of the proceeding. Judges may order the presence of pretrial detainees for the rendering or amplification of statements, or for confronting witnesses. Trials were conducted on the basis of evidence presented by the public prosecutor. Under limited circumstances, the law permits trials without the accused being present. The Constitution and the Criminal Procedure Code provide for trial by jury at the defendant's election, but only in cases where at least one of the charges is murder.

The Constitution obliges the Government to provide public defenders for the indigent. However, many public defenders were appointed late in the investigation, after the prosecutor already had evaluated the bulk of the evidence and decided either to recommend trial or to dismiss the charges. Public defenders' caseloads remained extremely high, averaging some 550 cases per attorney per year. Thirteen additional public defenders have been hired since 1992; there were 49 nationwide, with a similar number of assistants. In 2003, the Government appointed seven prosecutors to comply with a new law regarding delinquent minors. A heavy workload continued to undermine the quality of representation, with many prisoners meeting their public defender for the first time on the day of trial. The inadequate number of public defenders also continued to cause a backlog in trial dates, which contributed to the problem of prison overcrowding.

There were no reports of political prisoners.

f. Arbitrary Interference with Privacy, Family, Home, or Correspondence

The Constitution provides for the inviolability of the home, private papers, and telephonic communications, and the Government

generally respected these rights in practice; however, there were complaints that in some cases, law enforcement authorities failed to follow legal requirements and conducted unauthorized searches.

In an effort to prevent unauthorized searches, the Public Ministry placed a representative, whose job was to approve searches, in each of the PTJ's divisions.

In November, a constitutional reform signed by President Torrijos and ratified by the National Assembly went into effect, permitting wiretapping with a court order issued by a competent court that identifies a specific objective.

Section 2 Respect for Civil Liberties, Including:

a. Freedom of Speech and Press

The Constitution provides for freedom of speech and of the press; however, the Government sometimes did not respect these rights in practice, and at times the media were subject to political and economic pressure. The Government and public figures made frequent use of libel and "disrespect for authority" laws to confront and attempt to intimidate journalists who allegedly were "irresponsible" or who besmirched the honor of a particular government institution or leader. During the year, 10 journalists were charged with criminal libel according to the Ombudsman's office.

There was an active and often adversarial press and a broad range of print and electronic media outlets, including newspapers, radio and television broadcasts, and domestic and foreign cable stations. Seven national daily newspapers, 5 national broadcast television stations, 2 educational television stations, 1 religious broadcast television station, and more than 120 radio stations provided a broad choice of informational sources; all were privately or institutionally owned except for 1 government-owned educational television station. The law prohibits newspapers from holding radio and television concessions, and vice versa. The media carried a wide variety of political commentaries and other perspectives, both local and foreign.

In the run-up to the national elections in May, government advertising continued to be distributed along partisan lines and clearly favored certain newspapers despite their modest circulation. In October, the Torrijos administration centralized the purchase of advertising for the central government's non-autonomous entities under the Secretariat of Communication, which began using its discretion to purchase advertising on the basis of circulation, purchasing advertising in all the major newspapers for some topics.

Domestic and foreign journalists worked and traveled freely throughout the country. The law requires directors and deputy directors of media outlets to be citizens.

A 1999 law eliminated "gag laws" dating from the military dictatorship; however, legal actions against many journalists remained pending, and vestiges of the former gag laws still provided a means for charging journalists with defamation. The IACHR, the Inter-American Press Association, Reporters Without Borders, and other groups criticized these measures as efforts to censor the press. A 2002 report by the Ombudsman's office found that government officials brought 52 percent of the criminal libel suits against journalists and the media. In November, Constitutional reforms removed judges' ability to jail or fine persons for contempt without a trial, but did not reform criminal libel.

In March, police arrested editorialist and former president of La Prensa, Roberto Eisenmann and charged him with criminal libel in a case brought against him by the Attorney General. The charges stem from a January 30 column in which Eisenmann accused Sossa of "protecting criminals and filing charges against journalists."

In August, former President Mireya Moscoso included many journalists, including Roberto Eisenmann, among a list of individuals pardoned for various crimes. This pardon reduced significantly the number of journalists charged with libel and related crimes. At year's end, as many as 30 cases against journalists continued, including that of former Agricultural Minister Linnette Stanziola Apolaya against journalists Rafael Berrocal and Sady Tapia.

The press laws provide for the establishment of a censorship board, which monitored radio transmissions and had the authority to fine stations that violated norms regarding vulgar, profane, or obscene language. Despite occasional public protests over the content of radio programs, no stations were fined.

The Government did not restrict access to the Internet.

In March, the Disciplinary Commission of the University of Panama summoned Law and Politics Professor Miguel Antonio Bernal to provide a statement on April 6 in connection with Bernal's public criticism of the university rector and university academic policies. On April 6, Bernal left the hearing site before the hearing began after he received shouted insults from more than 20 administration personnel. In August, President Moscoso included Bernal on her presidential pardons list. At year's end, Bernal continued in his position at the university.

b. Freedom of Peaceful Assembly and Association

The Constitution provides for freedom of assembly and association, and the Government generally respected these rights in practice.

In October, over 28 persons were injured in Bocas del Toro, including 24 police officers, when anti-riot police attempted to open roads closed by residents protesting the local private utility company. The 22 protestors initially detained in the incident claimed after their release that police brutally beat them in detention and media published pictures of their injuries. Preliminary investigation by the Ombudsman's office indicated that protestors tied up police, took and set fire to their equipment, and tried to set fire to officers. Cases filed with the Public Ministry by both sides continued at year's end.

c. Freedom of Religion

The Constitution provides for freedom of religion provided that "Christian morality and public order" are respected, and the Government generally respected freedom of religion in practice.

The Constitution prohibits clerics from holding public office, except as related to social assistance, education, or scientific research. However, Catholicism enjoyed certain state-sanctioned advantages over other faiths. For example, the Constitution mandates that Catholicism be taught in public schools, although parents had the right to exempt their children from religious instruction.

For a more detailed discussion, see the [2004 International Religious Freedom Report](#).

d. Freedom of Movement Within the Country, Foreign Travel, Emigration, and Repatriation

The Constitution provides for these rights, and the Government generally respected them in practice. A 9:00 p.m. curfew for unaccompanied minors in the Panama City area remained in effect, and enforcement became strict under the outgoing administration's Operation Hard Hand policy.

The Constitution prohibits exile, and there were no reports of forced exile.

The law provides for the granting of asylum or refugee status in accordance with the 1951 U.N. Convention Relating to the Status of Refugees or its 1967 Protocol, and the Government has established a system for providing protection to refugees. In practice, the Government provided some protection against refoulement, the return of persons to a country where they feared persecution. The Government sometimes granted refugee status or asylum. A 1998 decree grants protection to all persons entering the country due to "state persecution based on race, gender, religion, nationality, social group, or political opinion." While the 1998 decree provides for a meeting every 3 months to determine status, by August the Moscoso Government's Refugee Commission only met once, reviewed approximately 10 refugee cases, and granted asylum to 2 persons. The Torrijos Government's Refugee Commission received training from the United Nations High Commissioner for Refugees (UNHCR) and met twice within 2 months and reviewed 32 cases, granting asylum in 14 cases and deferring 8 to permit the presentation of additional evidence.

The Government cooperated with the office of the UNHCR and other humanitarian organizations in assisting refugees. In April, the UNHCR and the Government agreed to the establishment of a permanent UNHCR office in the country, and the Government granted the UNHCR unimpeded access to refugees and UNHCR project sites. The UNHCR operated out of a Panama City office and a regional office in Darien to monitor and to aid displaced Colombians.

The 1998 decree only grants 2 months' temporary protection to "displaced persons" in the case of a large influx. The UNHCR criticized the decree because it put persons at risk for forced repatriation within a few weeks of entering the country, without analysis of their possible refugee status. In practice, the Government did not enforce the 2-month time limit.

According to the UNHCR, there were approximately 821 Colombians under temporary protective status in the country. The Government did not permit displaced Colombians to move or work outside of their assigned villages. The Government generally remained reluctant to classify displaced Colombians as refugees, but began to work with the Government of Colombia and UNHCR on steps to regularize the status of Colombians displaced for several years under other immigration categories. Some Colombians have lived in the country for years without formal refugee status. In Jaque, central Darien, and Kuna Yala, the Government, along with the UNHCR, provided displaced Colombians with food, medical care, and access to public services, including schools and clinics. The Catholic Church and NGOs assisted the displaced Colombians with infrastructure and income generating projects. The International Committee of the Red Cross provided some limited assistance to the approximately 40-50 displaced Colombians living in the remote Alto Tuira border area. In February, the Government, the Colombian Government, and the UNHCR successfully conducted a voluntary and transparent repatriation of 24 Colombians from Boca de Cupe.

The authorities continued to refuse entry to Colombians who arrived by air and could not show that they had at least \$500; however, according to UNHCR, Colombians arriving by air to claim refugee status generally had \$500.

Section 3 Respect for Political Rights: The Right of Citizens to Change Their Government

The Constitution provides citizens with the right to change their government peacefully, and citizens exercised this right in practice through periodic, free, and fair elections held on the basis of universal suffrage. The Constitution provides for direct popular election by secret ballot of the President, the vice president, legislators, and local representatives every 5 years. Naturalized citizens may not hold certain categories of elective office. The independent Electoral Tribunal arranges and supervises elections. The Government respected the rights of its citizens to join any political party, and vote for candidates of their choice. However, the law requires new political parties to meet strict membership and organizational standards to gain official recognition and participate in national campaigns.

In May, Democratic Revolutionary Party (PRD) presidential candidate Martin Torrijos defeated Solidarity Party (PS) candidate Guillermo Endara, Arnulfista candidate (PA) Jose Miguel Aleman, and Democratic Change (CD) candidate Ricardo Martinelli, winning 47 percent of the popular vote. Domestic and international observers characterized the elections as generally free and fair; however, at least one local contest was marred by reports of vote buying. The PRD gained a majority of 42 seats in the National Assembly.

In November, several constitutional reforms became effective. The reforms required political parties to be structured democratically, permitted independents to campaign for the National Assembly, increased the autonomy of the Electoral Tribunal, and limited the immunity of representatives in the National Assembly by permitting the Supreme Court to prosecute criminal cases against representatives. Beginning in 2009, the reforms would reduce the number of vice presidents from 2 to 1 and cap the number of National Assembly members at 71.

Public perceptions of executive and legislative corruption were consistently high. In the lead-up to the May election, polls identified corruption as one of the greatest national problems. Extensive legislative immunity, granted by the Constitution, continued to hinder judicial follow-up of accusations of corruption against National Assembly members. The Torrijos administration established a National Anti-Corruption Commission under the presidency, audited accounts on an agency-by-agency level, rescinded improperly granted diplomatic passports, dismissed employees for malfeasance, and brought charges against officials for petty corruption.

Immediately upon taking office on September 1, the Torrijos Administration revoked a Moscoso Administration implementing decree that impeded enforcement of the Transparency Law intended to provide public access to information from and about public entities. In May, the Supreme Court had invalidated on constitutional grounds several of the decree's most restrictive articles. In November, the Torrijos administration decreed that cabinet meeting minutes are exempt from public release under the Transparency Law. In late October, the Solicitor General interpreted the Constitution narrowly in advising the Ministry of the Presidency on the disclosure of statements of officials' assets by notaries, indicating that notaries are only authorized to disclose the statements to the Comptroller General, the Ministry of Economy and Finance, and authorities with jurisdiction.

Women held 11 of 78 National Assembly seats. Two women held positions in the 13-member Cabinet under the Torrijos Administration, 2 female judges were on the Supreme Court, and an Afro-Panamanian woman was the Solicitor General. There was 1 Afro-Panamanian in the Cabinet. There were dedicated seats for two Kuna Yala comarca and three Ngobe-Bugle comarca legislators in the National Assembly. In addition to the five dedicated seats, Bocas del Toro elected one Ngobe legislator to the National Assembly. Neither the Madugandi nor the Embera-Wounaan reserve had its own dedicated legislators.

Section 4 Governmental Attitude Regarding International and Nongovernmental Investigation of Alleged Violations of Human Rights

A number of domestic and international human rights organizations, including both religious and secular groups, operated without government restrictions, investigating and publishing their findings on human rights cases. Government officials were generally cooperative and responsive to their views.

In November, constitutional reforms went into effect requiring an Ombudsman's Office under the direction of an Ombudsman named by the legislature to a five-year term. Prior to the reforms, the Ombudsman and Ombudsman's office were only authorized by statute. During the year, the Ombudsman's office received complaints from citizens regarding abuses or violations committed by public servants or government institutions, collected information, observed elections, confronted accused public institutions or employees, provided human rights training, and conducted studies to promote international human rights standards. Although the Ombudsman had no coercive authority, he could confront public institutions and employees with their misdeeds. In 2001, the legislature elected attorney Juan Antonio Tejada Espino as Ombudsman for a 5-year term.

As of mid-September, the Ombudsman's office received 652 complaints against the Government. Of this number, 565 were against public institutions (58 of them against the PNP), and 87 were against businesses operating under a government concession. The Ombudsman improved its comprehensive web site and extended office hours for receiving complaints.

As of mid-September, the Office of Truth Commission Continuation solicited the opening or reopening of 16 cases of killings and continued to pursue 17 other cases of killings during the dictatorship (see Section 1.a.). As of mid-September, the Office of Truth Commission Continuation solicited the opening or reopening of 18 cases of disappearances and continued to pursue 7 other cases of disappearances during the dictatorship (see Section 1.b.). In December, President Torrijos announced that he was not extending funding to the Office of Truth Commission Continuation when it expired at year's end, and that cases of killings and disappearances during the 1968-89 dictatorship would continue to be handled through the judicial process.

Section 5 Discrimination, Societal Abuse, and Trafficking in Persons

The Constitution prohibits discrimination on the basis of race, birth status, social class, sex, disability, or political views. A 2002 law specifically prohibits discrimination and any kind of "right of admission" to any public or commercial establishment and sets fines from \$250 to \$1,000. However, societal prejudices persisted. Cases of discrimination were difficult to prove, and legal remedies for victims were complicated, time-consuming, and costly. Many commercial establishments continued openly to operate a "right of admission" policy, which discriminated against dark-skinned persons.

Women

Domestic violence against women continued to be a serious problem. The Family Code criminalizes rape, spousal rape, and family violence (including psychological, physical, or sexual abuse). Convictions for domestic violence were rare because victims generally chose spousal therapy over prosecution. Abusers were commonly convicted of unintentional killing in cases of spousal death. By October, the PTJ registered 1,167 cases of domestic violence. The PTJ also received 469 cases of rape and 88 cases of attempted rape by October. At year's end, the PNP's DRP reported that its office investigated 38 cases of domestic violence and 5 cases of rape committed by officers during the year. The media reported at least one case of spousal killing by a PNP officer (see Section 1.a.).

In Panama City, the Support Center for Abused Women (CAMM) operated one temporary shelter for abused women and children funded by the Government and the European Union, but the shelter did not serve women abused outside of the domestic context. CAMM also provided domestic violence victims with health and legal services, counseling services for women and their domestic abusers, and a hotline.

Spouses or other family members frequently were the perpetrators. The Foundation for the Promotion of Woman (FUNDAMUJER) and the Center of Colon Women (MUCEC), among other women's advocacy groups and government agencies, operated programs to assist victims of abuse and to educate women on their legal rights.

Trafficking in women was a problem (see Section 5, Trafficking).

The law prohibits sexual harassment in cases of established employer/employee and teacher/student relations. The extent of the problem was difficult to determine because convictions for sexual harassment were rare and pre-employment sexual harassment was not actionable.

The law prohibits discrimination on the basis of sex. The Family Code recognizes joint or common property in marriages. However, insufficient resources hampered government efforts to enforce the code's provisions effectively. According to a Supreme Court justice, competent caseload management would require 80 family judges; however, only 16 of the legally mandated 20 family judges served during the year due to lack of resources.

The Constitution mandates equal pay for men and women in equivalent jobs, but wages paid to women were, on average, 30 to 35 percent lower and increased at a slower rate, according to a 2002 study. There were credible reports of irregular hiring practices based upon age and "appearance." Female politicians noted discrimination within their own parties, where they were generally given the least desirable ballot positions during party primaries.

Through the National Directorate of Women, the Ministry of Women, Youth, Family, and Childhood promoted equality of women in the workplace and equal pay for equal work, attempted to reduce sexual harassment, and advocated legal reforms. A number of private women's rights groups concentrated on disseminating information about women's rights, countering domestic abuse, enhancing employment and other skills, and pressing for legal reforms.

Prostitution was legal and regulated. Studies of prostitutes over the past decade, including a 2002 International Organization of Labor (ILO report), point to domestic violence, initiation of sexual relations before age 18, poverty, broken homes, and teenage maternity as the major risk factors for prostitution. In August, the Comunidad Apostolica Hosanna began a program to remove women from prostitution and provide them with social services. At year's end, the program had removed two women from prostitution and was working with eight other women.

Children

The Government is committed to children's rights and welfare. Education is compulsory through the 9th grade and the Constitution establishes free public education through high school. Children did not always attend school due to traditional attitudes, financial and economic constraints, lack of transportation or secondary schools, and insufficient government resources. The problem was most extreme in Darien Province and among indigenous groups. According to the 2000 Census, 65 percent of children nationally between the ages of 15 and 19 had some schooling beyond sixth grade, but only 18 percent of children ages 15-19 had schooling beyond sixth grade in the Embera and Ngobe-Bugle comarcas.

The Government furnished basic health care for boys and girls on an equal basis through local clinics run by the Ministry of Health, but clinics were difficult to reach from rural areas and often lacked medicine. A central children's hospital in Panama City

operated with government funds as well as private donations. In November and December, the Government held health fairs to provide children with vaccinations and medical checkups. According to the Government, from September to December, the Ministry of Health also provided 75,000 persons with medical, dental, and optometric care through health caravans that reached rural and indigenous areas.

By October, the PTJ registered 364 cases of child abuse and neglect. Sexual abuse, including incest, accounted for 135 of these cases. Lack of reporting remained a problem, often because of parental involvement or complicity. Sexual abuse of children was reported in both urban and rural areas, as well as within indigenous communities. Neglect of children also was a problem. Malnutrition and inadequate medical care were generalized problems, most severe among rural indigenous groups.

Inadequate resources and training available to the family courts continued to result in controversial decisions, including the return of children to abusive situations. By July, the 5 juvenile penal courts in Panama and Colon provinces reported 1,241 new cases against juveniles. Gang recruitment of minors by young adults was an increasing problem. Police arrested and detained children for minor infractions during neighborhood sweeps.

Trafficking in children and child labor were problems (see Sections 5, Trafficking and 6.d.).

Trafficking in Persons

The law prohibits trafficking in women and children; however, there were reports that persons were trafficked to, from, or within the country. The magnitude of the problem was difficult to determine because the country was a transit point for illegal economic migrants who were not forced into prostitution or debt bondage but used similar smuggling routes. Both the Ministry of Government and Justice and the autonomous Attorney General's office had key roles in combating trafficking. The Ministry of Youth had a strong role in the prevention and the protection of victims.

On March 31, the Government enacted a law that included stronger penalties, better legal definitions of trafficking and pornography, and proscriptions against Internet predation and the promotion of sex tourism. The law also enhanced investigation capability by eliminating the need to initiate a complaint for an investigation, delaying the running of the statute of limitations in cases involving minors, and permitting undercover operations and the monitoring of suspects' computers in sex crime cases. Unfortunately, the autonomous Attorney General failed to convene CONAPREDES, the institution under the law that would have provided additional funding to combat trafficking and to provide victim's assistance. However, during the year the PTJ created a specialized section for child sexual exploitation and the PTJ and Public Ministry extended anti-trafficking efforts to the provincial level.

At year's end, the PTJ's specialized section had begun 24 formal investigations and transferred 7 cases to the Prosecutor's office for prosecution. The Prosecutor's office also initiated its own investigations, including a case involving suspected trafficking to Europe. Information sharing between the Government and neighboring and other countries increased, with the PTJ receiving three leads from Interpol and six leads directly from other countries.

The country was a destination point for trafficked women. There was some evidence that rural children were trafficked internally to work as domestic servants in urban areas. Colombia was the primary country of origin for trafficked women, followed by the Dominican Republic. Although many Colombians and Dominicans came willingly to the country apparently intending to become prostitutes, anecdotal evidence suggested that some were forced to continue as prostitutes.

The country was a transit point for Colombian sex workers to other Central American countries and the United States. Some of these women were assumed to be trafficking victims, but evidence of total numbers was lacking. Alien smuggling was a more prevalent problem. Most aliens transiting the country using smuggling networks were Ecuadorian, Peruvian, Colombian, Chinese, and Indian nationals who arrived from Ecuador, Peru, or Colombia in route to the United States. There was limited anecdotal evidence that some were trafficked for debt bondage, including Chinese debt bondage within Panama.

The PNP and the Immigration Department conducted raids every 2 to 3 months on bars and brothels. By mid-November, the Immigration Department under the Torrijos Administration had conducted raids on two nightclubs and initiated deportation proceedings for 30 Colombians working illegally as prostitutes. For the first time, the Immigration Department also fined the noncompliant clubs. Immigration officials and the PNP also conducted ad-hoc investigations and raids based on tips and other leads but did not generally work cooperatively with the PTJ Sex Crimes Unit. The Immigration Department also suspended issuance of the "alternadora" visa, believed linked to the prostitution of Colombian sex workers.

Commercial sexual exploitation of minors was a problem. ILO studies indicated there were at least 100 minors who were victims of commercial sexual exploitation. Commercial sexual exploitation was primarily an internal issue except that perpetrators included foreigners, and there was limited evidence of international trafficking networks of minors to or through Panama. NGO and government efforts in prevention and education were limited by lack of resources and coordination problems. During the year, the Government prosecuted and convicted several persons for prostituting children.

The March 31 law includes provisions to increase protection of trafficking victims from traffickers and specifies that victims will not be criminally responsible for prostitution or immigration crimes. The law also provides for indemnification of victims of trafficking, even if they return to their native country for costs of medical and psychological treatment, temporary housing, legal

fees, and emotional suffering.

In November, the Ministry of Youth, the Ministry of Government, and the First Lady's Office launched a campaign to combat child sexual tourism. In November, the Ministry of Youth held a workshop with 40 local officials in the Darien province and a forum with 124 participants in Panama City on child commercial sexual exploitation. In December, the Ministry of Youth also trained 16 officials in Veraguas province in combating child commercial sexual exploitation. The Ministry of Youth provided shelter and other services to victims of commercial sexual exploitation, using substitute families, its own shelter, and the shelter of a nongovernmental organization it subsidized.

Persons with Disabilities

There was substantial discrimination against persons with disabilities in employment, education, access to health care, and in the provision of other state services, but the Torrijos administration took steps to decrease discrimination. The law mandates access to new or remodeled public buildings for persons with disabilities; however, the Government generally failed to enforce these provisions in practice.

While the 2000 Census counted 52,197 persons with disabilities, the new National Secretariat for Social Integration of the Disabled found estimates by international organizations of 280,000 disabled persons probable. The Secretariat coordinated and provided technical assistance to government and civil society efforts to decrease discrimination against and increase inclusion of the disabled. In October, the Government installed a Council for the Social Integration of the Disabled to support the Secretariat. The Council involved civil society and more ministries (such as the Ministry of Public Works) and worked to include the needs of the disabled in ministerial budgets. The Ministry of Education was responsible for educating and training minors over the age of four with disabilities, while the Ministry of Women, Youth, Family, and Childhood provided training to children under four and protected the rights of the disabled. Children with disabilities generally were separated from the general population; however, the law requires schools to integrate children with special needs into the student body.

The Ministry of Labor was responsible for placing workers with disabilities in suitable jobs, but placement remained difficult despite a 1999 law requiring mandatory employment of at least two percent disabled personnel. Persons with disabilities also tended to be paid less than employees without disabilities for performing the same job.

Panama City's building code requires that all new construction projects meant to serve the public be accessible to persons with disabilities, with fines for the public sector from \$100 to \$500 for noncompliance. A national law with similar requirements for new construction projects generally was not enforced, but the Secretariat began a campaign to increase voluntary compliance. Awareness of disability issues increased under the Torrijos administration, and commercial establishments increasingly provided and enforced handicapped parking spaces. However, basic services such as handicapped-accessible sidewalks and bathrooms were largely unavailable.

National/Racial/Ethnic Minorities

The country is racially diverse, with the majority of the population mestizo, Afro-Panamanian, or indigenous. Minority groups generally have been integrated into mainstream society with overall success; however, discrimination against the country's newer immigrants, especially Chinese, sometimes was overt. There were an estimated 150,000 to 200,000 persons of Chinese descent or admixture. Cultural differences and language difficulties hindered and possibly prevented many Chinese immigrants from fully integrating into mainstream society. In addition, Panamanians often resented Chinese immigrants. Racial slurs directed at Asians were used openly among the general population, and substantial numbers of first generation resident Chinese frequently were treated as second-class citizens. However, second and third generation Chinese were seen as distinct from recent immigrants and generally were accepted in society if they assimilated.

Middle Eastern and Indian residents, like the Chinese, also suffered from racially motivated discriminatory treatment. All three groups often worked in the country's retail trade, particularly in urban areas. Legal and illegal immigrants, especially Chinese, were accorded fewer legal protections than citizens for their trade activities. A constitutional provision reserving retail trade for Panamanian citizens was not enforced in practice; however, immigrants legally could not own their businesses as sole proprietorships and sometimes encountered bureaucratic difficulties in practicing their professions.

Racism against blacks occurred, although it generally was expressed in subtle terms. Afro-Panamanians comprised at least 14 percent of the population; however, blacks were underrepresented in the highest positions of political and economic power. Many Afro-Panamanians remained clustered in the economically depressed province of Colon and poorer neighborhoods of Panama City.

Mainstream political elites generally were unconcerned by the economic and social problems of black populations and a concomitant rise in drug use, crime, and gang violence. The country's white elite discriminated against citizens with darker skin through preferential hiring practices in the private sector and manipulation of government resources in the public sector. The predominantly Afro-Panamanian city of Colon, the country's second largest city, suffered from a conspicuous lack of government services.

Racial discrimination against all ethnic groups was evident in the workplace. In general, light-skinned persons were represented

disproportionately in management positions and jobs that required dealing with the public (such as bank tellers and receptionists).

Indigenous People

The Constitution protects the ethnic identity and native languages of indigenous people and requires the Government to provide bilingual literacy programs in indigenous communities. Indigenous people have legal rights and take part in decisions affecting their lands, cultures, traditions, and the allocation of natural resources. According to the 2000 Census, indigenous people numbered approximately 285,000 (approximately 9 percent of the population) and had the same political and legal rights as other citizens. There are indigenous reserves for five of the country's seven native groups, including the Embera-Wounaan, Ngobe-Bugle, and Kuna. Tribal chiefs govern each reserve. The much smaller Bri-Bri (approximately 2,500 members) and Naso (approximately 3,000 members) tribes, residing near the border with Costa Rica, did not have officially recognized enclaves.

The Ministry of Government and Justice maintained an Office of Indigenous Policy. Federal law is the ultimate authority on indigenous reserves, but local groups had considerable autonomy. For example, the Government recognized traditional Kuna marriage rites as the equivalent of a civil ceremony. Laws protect intellectual property rights of indigenous artwork and establish regulations for artisan fairs. Despite legal protection and formal equality, indigenous people generally had higher levels of poverty, disease, malnutrition, and illiteracy than the rest of the population. The poverty rate among the entire indigenous population was estimated between 85 and 96 percent, depending on the group. Discrimination against indigenous people was widespread.

Kuna Yala leaders have succeeded in enforcing their territorial boundaries and maintaining their cultural integrity. There were two Kuna-Yala and four Ngobe legislators (see Section 3). Other indigenous groups had not succeeded in using their autonomy to preserve their culture or develop economic independence. Most lived in extreme poverty and isolation.

Due to their often poor mastery of Spanish, indigenous populations often misunderstood their rights and failed to employ legal channels when threatened. In addition, legal tribunals were unavailable in indigenous areas. The problem was exacerbated by government inattention to indigenous problems. The Kuna comarca Madugandi complained of encroachment by settlers who were deforesting the comarca. The Ngobe were under threat due to the isolation of their reserves, encroachment by settlers, and generalized poverty. The Embera-Wounaan struggled to protect their intellectual property in medicinal plants. Indigenous workers frequently did not receive the basic rights provided by the Labor Code, such as minimum wage, social security benefits, termination pay, and job security. Indigenous laborers in the country's sugar, coffee, and banana plantations worked under worse conditions than their nonindigenous counterparts. Indigenous migrant workers were unlikely to be provided with quality housing or food, and their children were much more likely to work long hours of heavy farm labor than nonindigenous children (see Section 6.d.).

In August, violence erupted between a group of Embera-Wounaan and nonindigenous settlers in a land dispute in the district of Chiman, less than 200 miles east of Panama City. The PNP posted approximately 55 frontier police in the area to avoid further armed conflict. At year's end, the situation had stabilized and the additional police had been removed from the area.

Other Societal Abuses and Discrimination

The law prohibits discrimination against persons with HIV/AIDS in employment and education, but discrimination was common in practice due to ignorance of the law and of HIV/AIDS. The Government provided treatment for HIV/AIDS in at least 80 percent of cases through the Ministry of Health and Social Security; however, the Government had problems maintaining retroviral medication in stock. In December, the First Lady, President Torrijos, and two government ministers participated in an HIV/AIDS awareness event.

Section 6 Worker Rights

a. The Right of Association

Private sector workers had the right to form and join unions of their choice, subject to the union's registration by the Government. The Labor Code establishes the minimum size of unions at 40 workers and permits only one "establishment union" per establishment to represent the workers of that establishment, but umbrella unions based on skill groups may also operate in the same establishment. The Code provides that if the Government does not respond to a registration application within 15 days, the union automatically gains recognition with all rights and privileges under the law. Associations of unions complained that such automatic registration did not function in practice. Employees of small companies may organize under a larger umbrella group of employees with similar skills and form a union as long as they number at least 40. The code also allows labor leaders to keep their union positions if fired from their jobs. Approximately 10 percent of the total employed labor force was organized.

As of September, the Government had not made any additional payments to 270 public sector electricity and telecommunications workers whose dismissal the Inter-American Court of Human Rights had found improper in a 2001 ruling.

The Government and political parties exercised political, ideological, and/or financial influence over some unions.

b. The Right to Organize and Bargain Collectively

The law provides all private sector and most public sector workers with the right to organize and bargain collectively, and private worker unions exercised it widely. The Labor Code establishes a conciliation section in the Ministry of Labor to resolve private labor complaints and provides a procedure for mediation.

Public workers had an association consisting of 19 public workers associations, but it did not strike or negotiate collective bargaining agreements because only approximately 8 percent of government workers were protected from arbitrary dismissal as certified career employees. At year's end, the Ombudsman's office reported that it had received over 200 complaints of unjustified dismissal from public employees. The law grants some public employees a limited right to strike, except for those in areas vital to public welfare and security, such as the police and health workers. At least 25 percent of the workforce must continue to work to provide minimum service in the case of administrative workers, and 50 percent must continue to provide service in the case of workers providing "essential public services," such as transportation, firefighting, telecommunications, and mail.

The law governing the autonomous Panama Canal Authority prohibits the right to strike for its 8,400 employees, but does allow unions to organize and to bargain collectively on such issues as hours and safety and provides for arbitration to resolve disputes.

Employers in the retail industry commonly hired temporary workers to circumvent labor code requirements for permanent workers. Temporary workers were excluded from social security benefits, job security, and vacation time. In lower-skilled service jobs, employers often had some employees under "three-month contracts" for years, sometimes sent such employees home for a month, and then rehired them. Employers also circumvented the law requiring a 2-week notice for discharges by laying off some workers 1 week before a holiday. In addition, due to labor laws that made it difficult to fire employees of 2 years or more, it was not uncommon to hire workers for 1 year and 11 months and subsequently lay them off.

Employers, following a 2000 Supreme Court ruling, increasingly negotiated directly with unorganized workers before unions formed or had a majority presence in the workplace.

Unions and collective bargaining are permitted in export processing zones (EPZs). A strike is considered legal only after 36 workdays of conciliation are exhausted; otherwise, striking workers can be fined or fired. A 1998 ILO observation noted that this regulation did not mention arbitration or specify procedures to resolve disputes in the courts and called on the Government to amend the EPZ labor regulations to conform with international norms. The Government responded that it considered the time limits reasonable and that the parties may have recourse to arbitration. The same labor laws governing EPZs applied to the more recent Call Centers. There were approximately 1,000 EPZ employees and several times more Call Center employees. Minimum wage provisions applied in the EPZs and Call Centers, and wages were generally higher in the Call Centers than in the economy as a whole. In the EPZs, workers could agree to take the Labor Code's compulsory Sunday rest period on another day and to overtime compensation based on a straight 25 percent differential, compared to a complex and costlier system under the Labor Code.

In July, the Government created a special economic area in the former Howard Air Force Base Area. The law creating the area contains provisions intended to create greater labor flexibility similar to the minimum wage and required rest day provisions in the EPZs.

c. Prohibition of Forced or Compulsory Labor

The Labor Code prohibits forced or compulsory labor by adults and children.

d. Prohibition of Child Labor and Minimum Age for Employment

The law and Constitution prohibit the employment of children under 14 years of age except children age 12 and over performing light farm work, and also prohibits the employment of children under age 15 if the child has not completed primary school. However, child labor was a problem in some provinces and some economic sectors.

Children under age 18 legally cannot work more than 6 hours per day and cannot work at night. The law includes a prohibition on employment of minors under the age of 18 in hazardous labor. The Ministry of Labor enforced these provisions in response to complaints and could order the termination of unauthorized employment. The Government acknowledged that it was unable to enforce some child labor provisions in rural areas, and it conducted only limited inspections, due to insufficient staff.

Child labor violations occurred most frequently in rural areas, during the harvest of sugar cane, coffee, bananas, melons, and tomatoes. Farm owners often paid according to the amount harvested, leading many laborers to bring their young children to the fields to help with the work.

The problem of child labor in agricultural areas fell most heavily on indigenous families, who often migrated out of their isolated reserves in search of paid work (see Section 5). These frequent migrations interrupted schooling. The Government claimed that

due to insufficient staff, it often was unable to enforce child labor provisions in rural areas (see Section 6.e.).

Child domestic labor was a problem. According to the 2000 census, over 6,000 children between the ages of 10 and 17 worked as domestic servants. A 2002 ILO study found that 47 percent of children working as domestic servants were 13 years old or younger and that 76 percent received less than minimum wage. Government enforcement of domestic laborer violations was weak traditionally because the place of work is a private residence; however, the Torrijos Administration began training its personnel how to request a warrant and proceed in domestic labor cases.

Children continued to work for tips as grocery baggers in urban supermarkets, many during late hours; however, there was some evidence that supermarkets began employing more children closer to the legal work age. Some supermarket managers claimed that the children actually were not employed by their firm, despite the fact that "baggers" conformed to schedules, wore uniforms, complied with company codes of conduct, and took orders from managers as if they were direct employees.

Many children worked in the informal sector of the economy. An ILO survey of children and adolescents in two areas of Panama City found that the majority of child workers were self-employed. The most common jobs were grocery baggers (54 percent), garbage pickers (11 percent), bus assistants (10 percent), and street vendors (9 percent).

e. Acceptable Conditions of Work

The Labor Code establishes minimum wage rates for specific regions and for most categories of labor. The minimum wage ranged from \$0.82 per hour to \$1.56 per hour, depending on the region and sector. This wage was not sufficient to provide a decent standard of living for a worker and family. In August 2003, the Government raised the base minimum wage by an average of 4 to 5 percent, depending on sector, region, and company size, as part of a legally required review of the minimum wage. Public workers do not fall under the Labor Code and were not included in the group of beneficiaries. Most workers formally employed in urban areas earned the minimum wage or more; however, about one-third of the population worked in the large informal sector and earned far below the minimum wage. This was particularly the case in most rural areas, where unskilled laborers earned \$3 to \$6 per day, without benefits; the Government did not enforce labor laws in most rural areas.

The Labor Code establishes a standard workweek of 48 hours and provides for at least one 24-hour rest period weekly.

The Ministry of Labor is responsible for enforcing health and safety standards and generally did so. The standards are fairly broad and generally emphasize safety over long-term health hazards. Inspectors from both the Ministry of Labor and the occupational health section in the Social Security Administration conducted periodic inspections of hazardous employment sites and responded to complaints; however, the Government failed adequately to enforce health and safety standards. Construction workers and their employers were notoriously lax about conforming to basic safety measures and approximately 20 construction workers died during the year. In 2001, the Ombudsman's office published a special report on the use of chemical pesticides in the banana industry, where poisoning by chemical agents was a recurrent problem and workers often worked, slept, or ate without proper protection. The situation improved, but problems continued, especially in remote areas. Complaints of health problems also continued in the cement and milling industries.

Workers also have the right to remove themselves from situations that present an immediate health or safety hazard without jeopardizing their employment. They generally were not allowed to do so if the threat was not immediate but may request a health and safety inspection to determine the extent and nature of the hazard.